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VONPENDE HOLDINGS P.L.C.

REPORT AND FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

C. Efstathiou Audit Ltd
Εγκεκριμένοι Λογιστές

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Period from 1 January 2017 to 30 June 2017

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Marina Tsoy Andri Michael Stella Koukounis
Company Secretary:	Andri Michael
Independent Auditors:	C. Efstathiou Audit Ltd Certified Public Accountants and Registered Auditors 8 Kennedy Avenue Athienitis Building 2nd floor, Office 201 1087 Nicosia
Registered office:	Chrysanthou Mylona, 2 Dali, P.C. 2540, Nicosia, Cyprus
Bankers:	Hellenic Bank Public Company Ltd AstroBank (Cyprus) Ltd PJSC Promsvyazbank, Cyprus Branch
Registration number:	HE216944

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the period from 1 January 2017 to 30 June 2017.

Incorporation
The Company Vonpende Holdings P.L.C. was incorporated in Cyprus on 20 December, 2007 as a private limited liability company under the Cyprus Companies Law, Cap. 113, with registration number HE216944. On 8 February, 2016 the Company's share capital was listed to the Cyprus Stock Exchange Emerging Companies Market.

Principal activity and nature of operations of the Company
The principal activity of the Company comprises the trading in investments and investment properties.

Review of current position, future developments and performance of the Company's business
The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company and the steps taken to manage these risks are disclosed in notes 3 and 4 of the financial statements.

Results
The Company's results for the period are set out on page 6. The net loss for the period is carried forward.

Share capital
Authorised capital
On 27 March 2017 the authorised share capital of the Company was converted from 400.000 ordinary shares of nominal value of EUR 0,25 each to 8.000 ordinary shares of nominal value of EUR 12,50 each.
Issued capital
On 27 March 2017 the issued share capital of the Company was converted from 400.000 ordinary shares of nominal value of EUR 0,25 each to 8.000 ordinary shares of nominal value of EUR 12,50 each.

Board of Directors
The members of the Company's Board of Directors as at 30 June 2017 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2017 to 30 June 2017.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the reporting period
There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent Auditors
The Independent Auditors, C. Efstathiou Audit Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Director

Nicosia, 18 September, 2017

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C. Efstathiou Audit Ltd
Certified Public Accountants

Independent Auditor's Report

To the Members of Vonpende Holdings P.L.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Vonpende Holdings P.L.C. (the "Company"), which are presented in pages 6 to 29 and comprise the statement of financial position as at 30 June 2017, and the statements of profit or loss, other comprehensive income, changes in equity and cash flows for the period from 1 January 2017 to 30 June 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2017, and of its financial performance and its cash flows for the period from 1 January 2017 to 30 June 2017 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (continued)

To the Members of Vonpende Holdings P.L.C.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (continued)

To the Members of Vonpende Holdings P.L.C.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the period from 1 January 2017 to 30 June 2017.

Costas Efstathiou
Certified Public Accountant and Registered Auditor
for and on behalf of
C. Efstathiou Audit Ltd
Certified Public Accountants and Registered Auditors

Nicosia, 18 September, 2017

VONPENDE HOLDINGS P.L.C.

STATEMENT OF PROFIT OR LOSS
Period from 1 January 2017 to 30 June 2017

	Note	1.1.2017 to 30.6.2017 EUR	2016 EUR
Revenue	5	**26.081**	12.032.411
Other operating income	6	**1.924**	40.372
Administration expenses		**(68.720)**	(166.705)
Other expenses	7	**(24)**	(2.977)
Operating (loss)/profit	8	**(40.739)**	11.903.101
Net finance costs	9	**(2.804)**	(1.432)
(Loss)/profit before tax		**(43.543)**	11.901.669
Tax	10	**(1.725)**	(3.256)
Net (loss)/profit for the period/year		**(45.268)**	11.898.413

The notes on pages 11 to 29 form an integral part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME
Period from 1 January 2017 to 30 June 2017

	Note	1.1.2017 to 30.6.2017 EUR	2016 EUR
Net (loss)/profit for the period/year		**(45.268)**	11.898.413
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
Investments in subsidiaries - Fair value gains		**8.658.389**	23.700.499
Other comprehensive income for the period after tax		**8.658.389**	23.700.499
Other comprehensive income for the period/year		**8.613.121**	35.598.912

The notes on pages 11 to 29 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
30 June 2017

	Note	2017 EUR	2016 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	11	**2.011**	2.299
Investment properties	12	**111.721**	110.000
Investments in subsidiaries	13	**53.425.556**	44.767.167
		53.539.288	44.879.466
Current assets			
Trade and other receivables	14	**5.403**	3.981.449
Financial assets at fair value through profit or loss	15	**4.800.832**	1.085.000
Cash at bank and in hand	16	**293.961**	79.590
		5.100.196	5.146.039
Total assets		**58.639.484**	50.025.505
EQUITY AND LIABILITIES			
Equity			
Share capital	17	**100.000**	100.000
Fair value reserve - investments in subsidiaries	18	**32.358.888**	23.700.499
Retained earnings		**26.169.623**	26.214.891
Total equity		**58.628.511**	50.015.390
Current liabilities			
Trade and other payables	19	**9.248**	6.859
Current tax liabilities	20	**1.725**	3.256
		10.973	10.115
Total equity and liabilities		**58.639.484**	50.025.505

On 18 September, 2017 the Board of Directors of Vonpende Holdings P.L.C. authorised these financial statements for issue.

....
Director

....
Director

The notes on pages 11 to 29 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Period from 1 January 2017 to 30 June 2017

	Share capital EUR	Fair value reserve - investments in subsidiaries (Note 18) EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2016	100.000	-	14.316.478	14.416.478
Comprehensive income				
Net profit for the year	-	-	11.898.413	11.898.413
Fair value adjustment	-	23.700.499	-	23.700.499
Balance at 31 December 2016/ 1 January 2017	100.000	23.700.499	26.214.891	50.015.390
Comprehensive income				
Net loss for the period	-	-	(45.268)	(45.268)
Fair value adjustment	-	8.658.389	-	8.658.389
Balance at 30 June 2017	100.000	32.358.888	26.169.623	58.628.511

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

VONPENDE HOLDINGS P.L.C.

STATEMENT OF CASH FLOWS
Period from 1 January 2017 to 30 June 2017

	Note	1.1.2017 to 30.6.2017 EUR	2016 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(43.543)**	11.901.669
Adjustments for:			
Depreciation of property, plant and equipment	11	**288**	575
Dividend income	5	**-**	(12.000.000)
Interest income	5	**(22.291)**	-
		(65.546)	(97.756)
Changes in working capital:			
Decrease/(increase) in trade and other receivables	14	**3.976.046**	(3.877.067)
(Increase)/decrease in financial assets at fair value through profit or loss	15	**(3.700.000)**	165.000
Increase in trade and other payables	19	**2.389**	632
Cash generated from/(used in) operations		**212.889**	(3.809.191)
Interest received		**6.459**	-
Dividends received	5	**-**	12.000.000
Tax paid	20	**(3.256)**	(613)
Net cash generated from operating activities		**216.092**	8.190.196
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	11	**-**	(2.874)
Payment for purchase of investment property	12	**(1.721)**	(110.000)
Payment for purchase of investments in subsidiaries	13	**-**	(8.021.274)
Net cash used in investing activities		**(1.721)**	(8.134.148)
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-
Net increase in cash and cash equivalents		**214.371**	56.048
Cash and cash equivalents at beginning of the period/year	16	**79.590**	23.542
Cash and cash equivalents at end of the period/year	16	**293.961**	79.590

The notes on pages 11 to 29 form an integral part of these financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company Vonpende Holdings P.L.C. (the "Company") was incorporated in Cyprus on 20 December, 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Chrysanthou Mylona, 2, Dali, P.C. 2540, Nicosia, Cyprus.

Principal activity

The principal activity of the Company comprises the trading in investments and investment properties.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of, investment property, and financial assets and financial liabilities at fair value through profit or loss.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group").

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the period from 1 January 2017 to 30 June 2017 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are classified as available-for-sale investments and are measured at fair value. Gains or losses on investments in subsidiary companies are recognised directly in equity, through the statement of recognised income and expense except for impairment losses.

2. Significant accounting policies (continued)

Subsidiary companies (continued)

Impairment is a permanent decline in the value of an asset. This situation exists when the cash flows or other benefits generated by an asset decline, as determined through a periodic assessment. If there is impairment, then the difference between the fair value of the asset and its carrying amount is written off. Upon adjusting an impaired asset's carrying value, the loss is recognised on the company's income statement.

In periods where there is a valid indication that an Impairment Loss recognised in other periods may have decreased, the Reversal of Impairment Loss is recognised in the Profit or Loss or revered in the Profit or Loss of the previously recognised Impairment Loss, unless it relates to a revalued asset recognised and/or reversed in Other Comprehensive Income.

The increased carrying amount due to the reversal should not be more than what the depreciated historical cost would have been if the Impairment Loss had not been recognised at first. If depreciation is applicable, should be adjusted for future periods.

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Income from investments in securities**

  Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

  Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

  The difference between the fair value of investments at fair value through profit or loss as at 30 June 2017 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

- **Rental income**

  Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest rate method.

- **Dividend income**

  Dividend income is recognised when the right to receive payment is established.

Finance income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

2. Significant accounting policies (continued)

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (EUR), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

The objective of IAS 21 "The Effects of Changes in Foreign Exchange Rates" is to prescribe, how to include foreign currency transactions and foreign operations in the Financial Statements of an entity and how to translate Financial Statements into presentation currency.

In accounting, there is a difference between realized and unrealized gains and losses. Realized income or losses refer to profits or losses from completed transactions. Unrealized profit or losses refer to profits or losses that have occurred on paper, but the relevant transactions have not been completed. These represent gains and losses from changes in the value of assets or liabilities that have not yet been settled or recognized.

Realized income or losses are recorded on the income statement. Unrealized income or losses are recorded in an account called accumulated other comprehensive income, which is found in the owners' equity section of the balance sheet.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Computer equipment	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment property is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss and are included in other operating income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. Significant accounting policies (continued)

Financial instruments

IAS 39 "Financial Instruments: Recognition and Measurement" was reissued in December 2003, applies to annual periods beginning on or after 1 January 2005, and will be largely replaced by IFRS 9 "Financial Instruments" for annual periods beginning on or after 1 January 2018, which is available for early application.

The objective of "IAS 39 "Financial Instruments: Recognition and Measurement" is to establish principles for recognising and measuring financial assets and financial liabilities in the Company's statement of financial position when the Company becomes a party to the contractual provision of the instrument and some contracts to buy or sell non-financial items. Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Requirements for presenting information about financial instruments are in IAS 32 "Financial Instruments: Presentation", outlining the accounting requirements, particularly as to the classification of such instruments into financial assets, financial liabilities and equity instruments according to the substance of the contract, not its legal form, and the description given. The entity must make the decision at the time the instrument is initially recognised and the classification is not subsequently changed based on changed circumstances. The standard also provide guidance on the classification of related interest, dividends and gain/losses, and when financial assets and financial liabilities can be offset.

Requirements for disclosing information about financial instruments are in IFRS 7 "Financial Instruments: Disclosures", which are to be provided by the entity in its Financial Statements to enable users of Financial Statements, to analyse and evaluate the significance of the financial instruments. IFRS 7 requires disclosure of information about the significance of financial instruments to an entity, and the nature and extend of risks arising from those financial instruments and how entities manage those risks, both in qualitative and quantitative terms. Specific disclosures are required in relation to transferred financial assets and a number of other matters.

Financial instruments are initially recognised when an entity becomes a party to the contractual provisions of the instrument, and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument (typically amortised cost or fair value). Special rules apply to embedded derivatives and hedging instruments.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

(1) Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Financial assets at fair value through profit or loss

  This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Company's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months from the reporting date.

- Loans and receivables

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

- Held-to-maturity investments

  Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity, that do not meet the definition of loans and receivables. During the period, the Company did not hold any investments in this category.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

- Available-for-sale financial assets

IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 9 "Financial Instruments" determines that Available-for-sale financial assets (AFS) are any non-derivative financial assets designated on initial recognition as Available-for-Sale or any other instruments that are not classified as (a) Loans and Receivables, (b) Held-to-Maturity Investments or (c) Financial Assets at Fair Value Through Profit or Loss.

Available-for-sale financial assets, comprising principally marketable equity securities, are measured annually at fair value in the balance sheet, at the close of business as at 30 June 2017.

For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is determined by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair value cannot be measured reliably are recognised at cost less impairment.

Under IAS 39 gains and losses from the revaluation of the asset are put through Other Comprehensive Income in Shareholders' Equity, except to the extent that any losses are assessed as being permanent and the asset is therefore impaired, or if the asset is sold or otherwise disposed of. If the asset is impaired, sold or otherwise disposed of, the revaluation gain or loss implicit in the transaction is recognised as income or expense.

Available for sale investments are carried on balance sheet at their fair value and any change in fair value between two reporting dates is taken to the shareholders' equity as a separate component which is normal called 'changes in fair value of available for sale investments', as mentioned above.

If the fair value of an investment increases, the carrying amount of the investments is debited and the 'changes in fair value of AFS investments' (equity) is credited. If the fair value of the investments decreases, the carrying amount of the investments is decreased and the changes in fair value of AFS investments (equity) is debited.

Under IFRS, any change in fair value is broken down into two components: change in fair value due to currency fluctuation and change in fair value due to change in investment value. The change in fair value due to fluctuation in currency value is taken to the income statement while the change in fair value due to change in value of investments is taken to the shareholders' equity.

According to IFRS 9 (1 January 2018, early adoption permitted), the revaluation gain or loss will be recognised under Other Comprehensive Income whether it will be due to normal market fluctuations or impairment. Further, the revaluation gain or losses from Other Comprehensive Income will under no circumstances be recycled into Profit or Loss.

Dividends or interest income earned on available for sale securities is recognized on the income statement in the period in which they are earned.

Available-for-sale financial assets are classified as non-current, unless they are expected to be realised within one year / twelve months from the reporting date or unless they will need to be sold to raise operating capital, thus classified as current assets.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(2) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest rate method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

The debt obligations of a firm can be either short-term or long-term. How much of each type of a debt a firm owes has a major impact on the firm's liquidity, which is the business's ability to meet its obligations. Debts, or liabilities, are the claims creditors have against a firm's assets, listed on the balance sheet in the liabilities section.

Short-term debt is an account shown in current liabilities portion of a company's balance sheet. This account is made up of any debt incurred by a company that is due within one year / twelve months from its reporting date. The debt in this liabilities account is usually made up of short-term loans taken out by a company, among other types.

Long-term debt is an account shown in non-current liabilities portion of a company's balance sheet. It consist of loans and financial obligations lasting over one year / twelve month's from the reporting date. Long-term debt for a company would include any financing or leasing obligations that are to come due in a greater than one year / twelve month's period.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Current assets

Current assets represent future economic benefits enbodied in an asset that will flow to the entity within twelve months from the reporting date.

Non-current assets

Non-current assets represent future economic benefits enbodied in an asset that will flow to the entity in more than twelve months from the reporting date.

Current liabilities

Current liabilities represent amounts that are due within twelve months from the reporting date.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Comparatives

IAS1 "Presentation of Financial Statements" requires that comparative information should be disclosed in respect of the previous period for all amounts reported in the financial statements, both on the face and in the notes of the financial statements, unless another Standard requires otherwise. Comparative information is provided for narrative and descriptive where it is relevant to understanding the financial statements of the current period.

Where comparative amounts are changed or reclassified, various disclosures are required in the notes of the financial statements explaining the situation for changes applied.

3. Financial risk management

Financial risk factors
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency exchange risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

3.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.3 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

3.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.5 Currency exchange risk
Currency exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Russian Ruble. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.6 Capital risk management
Capital includes equity shares.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

3. Financial risk management (continued)

Fair value estimation (continued)

The fair value of financial instruments traded in active markets, such as publicly traded trading and available-for-sale financial assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Provision for bad and doubtful debts**

  The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Fair value of investment property**

  The fair value of investment property is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

4. Critical accounting estimates and judgments (continued)

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

- **Impairment of investments in subsidiaries**

  The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of loans receivable**

  The Company periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of non-financial assets**

  The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Valuation of non-listed investments**

  IFRS 9 "Financial Instruments" requires entities to measure all investments in equity instruments at fair value, even if those instruments are not quoted in an active market.

  IFRS 13 "Fair Value Measurement" states that when measuring fair value, the objective is to estimate the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions, to estimate an "exit price".

  Valuation involves significant judgment by the Board of Directors and key management and it is likely that different valuation techniques will provide different results. This is because inputs used, and any adjustments to those inputs, may differ depending on the technique, but also in the selection of the valuation technique. This includes consideration of the information available to the Company.

  Equity investments for which fair value cannot be measured reliably and valuation techniques are not available, they are recognised at cost less impairment in value.

5. Revenue

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Dividend income	-	12.000.000
Interest income	22.291	31.610
Net gain on trading in financial instruments	-	801
Rental income	3.790	-
	26.081	12.032.411

6. Other operating income

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Amount payable written off	1.924	40.372
	1.924	40.372

7. Other expenses

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Net foreign exchange loss	24	2.977
	24	2.977

8. Operating (loss)/profit

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Operating (loss)/profit is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 11)	288	575
Directors' services	15.000	44.169
Auditors' remuneration - current period	3.850	13.350
Auditors' remuneration - prior years	8.500	4.900

9. Finance costs

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Finance costs		
Other finance costs		
Bank charges	2.804	1.432
	2.804	1.432

10. Tax

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Corporation tax - current period/year	**1.640**	3.256
Defence contribution - current period/year	**85**	-
Charge for the period/year	**1.725**	3.256

The corporation tax rate is 12,5%. In addition, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

11. Property, plant and equipment

	Computer equipment EUR	Total EUR
Cost		
Additions	2.874	2.874
Balance at 31 December 2016/ 1 January 2017	**2.874**	**2.874**
Balance at 30 June 2017	**2.874**	**2.874**
Depreciation		
Charge for the period	575	575
Balance at 31 December 2016/ 1 January 2017	**575**	**575**
Charge for the period	288	288
Balance at 30 June 2017	**863**	**863**
Net book amount		
Balance at 30 June 2017	**2.011**	**2.011**
Balance at 31 December 2016	**2.299**	**2.299**

12. Investment properties

	2017 EUR	2016 EUR
Balance at 1 January	**110.000**	-
Additions	**1.721**	110.000
Balance at 30 June/31 December	**111.721**	110.000

Investment properties include an apartment situated at 55 Milou street, Archangelos, Nicosia, Cyprus.

13. Investments in subsidiaries

	2017	2016
	EUR	EUR
Balance at 1 January	**44.767.167**	13.045.394
Additions	**-**	8.021.274
Fair value adjustment	**8.658.389**	23.700.499
Balance at 30 June/31 December	**53.425.556**	44.767.167

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %
Wing Hang Enterprises Limited	Nevis	Trading in cement and receiving and granting of loans	100
Eyestorn Enterprises Limited	Cyprus	Holding of investments and receiving and granting of loans	52
Kirnione Holdings Limited	Cyprus	Trading in investments and investment of its funds	52
Lebset Developments Limited	Cyprus	Holding of investments	52
Linge Enterprises Limited	Cyprus	Holding of investments	76,0234
Mezorex Enterprises Limited	Cyprus	Holding of investments and investment of its funds	52,0468

The Company's subsidiary namely Wing Hang Enterprises Limited was incorporated in Hong Kong on 30 August, 1999 as a private company with limited liability, and transferred domicile to Nevis on 5 December, 2003. On 5 July, 2017, Wing Hang Enterprises Limited was registered according to the Companies Law Cap. 113, as a company temporarily continuing in the Republic of Cyprus under the name of Wing Hang Enterprises (Cyprus) Limited.

14. Trade and other receivables

	2017	2016
	EUR	EUR
Trade receivables	**481**	3.979.227
Prepayments	**4.922**	2.222
	5.403	3.981.449

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

15. Financial assets at fair value through profit or loss

	2017	2016
	EUR	EUR
Balance at 1 January	**1.085.000**	1.250.000
Additions	**3.700.000**	-
Disposals	**-**	(165.000)
Accrued interest	**22.291**	-
Interest repayments	**(6.459)**	-
Balance at 30 June/31 December	**4.800.832**	1.085.000

15. Financial assets at fair value through profit or loss (continued)

Financial assets designated as at fair value through profit or loss are analysed as follows:

	2017 EUR	2016 EUR
Financial assets at fair value through profit or loss		
Subordinated contingent convertible bonds of a Company incorporated in Cyprus	4.785.000	1.085.000
Interest on bonds	15.832	-
	4.800.832	1.085.000

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 30 June by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

16. Cash at bank and in hand

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Hellenic Bank Public Company Ltd		
- EUR Current account	13.755	79.528
- USD Current account	238	62
- EUR Bank deposit	3.150	-
AstroBank (Cyprus) Ltd		
- EUR Current account	26.976	-
PJSC Promsvyazbank, Cyprus Branch		
- EUR Current account	249.842	-
	293.961	79.590

17. Share capital

	2017 Number of shares	2017 EUR	2016 Number of shares	2016 EUR
Authorised				
Ordinary shares of EUR 0,25 each	-	-	400.000	100.000
Ordinary shares of EUR 12,50 each	8.000	100.000	-	-
	8.000	100.000	400.000	100.000
Issued and fully paid				
Balance at 1 January	400.000	100.000	400.000	100.000
Converted to 8.000 ordinary shares of EUR 12,50 each	(392.000)	-	-	-
Balance at 30 June/31 December	8.000	100.000	400.000	100.000

Authorised capital

On 27 March 2017 the authorised share capital of the Company was converted from 400.000 ordinary shares of nominal value of EUR 0,25 each to 8.000 ordinary shares of nominal value of EUR 12,50 each.

17. Share capital (continued)

Issued capital

On 27 March 2017 the issued share capital of the Company was converted from 400.000 ordinary shares of nominal value of EUR 0,25 each to 8.000 ordinary shares of nominal value of EUR 12,50 each.

18. Fair value reserve

	Fair value reserve - investments in subsidiaries EUR	Total EUR
Balance at 1 January 2016	-	-
Fair value adjustment	23.700.499	23.700.499
Balance at 31 December 2016/ 1 January 2017	**23.700.499**	**23.700.499**
Fair value adjustment	8.658.389	8.658.389
Balance at 30 June 2017	**32.358.888**	**32.358.888**

The fair value reserve for investments represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

19. Trade and other payables

	2017 EUR	2016 EUR
Trade payables	**3.776**	-
Social insurance and other taxes	**1.309**	2.313
Accruals	**4.251**	4.600
Defence tax on rent payable	**(88)**	(54)
	9.248	6.859

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

20. Current tax liabilities

	2017 EUR	2016 EUR
Corporation tax	**1.640**	3.256
Special contribution for defence	**85**	-
	1.725	3.256

21. Related party transactions

The Company is listed to the Cyprus Stock Exchange Emerging Companies Market and its shares are spread towards various foreign and Cyprus based legal entities and various Cyprus resident and non-resident individuals.

21. Related party transactions (continued)

The following transactions were carried out with related parties:

21.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Directors' services	**15.000**	44.169
	15.000	44.169

22. Contingent assets

The Company had no contingent assets as at 30 June 2017.

23. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2017.

24. Commitments

The Company had no capital or other commitments as at 30 June 2017.

25. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 3 to 5

DETAILED INCOME STATEMENT
Period from 1 January 2017 to 30 June 2017

	Page	1.1.2017 to 30.6.2017 EUR	2016 EUR
Revenue			
Dividend income		-	12.000.000
Interest income		22.291	31.610
Net gain on trading in financial instruments		-	801
Total revenue		22.291	12.032.411
Rent receivable		3.790	-
Gross profit		26.081	12.032.411
Other operating income			
Amount payable written off		1.924	40.372
		28.005	12.072.783
Operating expenses			
Administration expenses	31	(68.720)	(166.705)
		(40.715)	11.906.078
Other operating expenses			
Net foreign exchange loss		(24)	(2.977)
Operating (loss)/profit		(40.739)	11.903.101
Finance costs		(2.804)	(1.432)
Net (loss)/profit for the period/year before tax		(43.543)	11.901.669

ADMINISTRATIVE EXPENSES
Period from 1 January 2017 to 30 June 2017

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Administration expenses		
Rent	**1.800**	3.600
Common expenses	**1.127**	2.277
Municipality taxes	**-**	444
Annual levy	**350**	350
Repairs and maintenance	**-**	1.071
Sundry expenses	**596**	76
Telephone and postage	**2.748**	3.995
Courier expenses	**206**	-
Auditors' remuneration - current period	**3.850**	13.350
Auditors' remuneration - prior years	**8.500**	4.900
Directors' services	**15.000**	44.169
Travelling	**968**	733
Entertaining	**149**	-
Secretarial services	**5.381**	11.176
Professional fees	**2.480**	-
Services paid	**8.532**	47.265
Consulting fees	**16.212**	28.718
Advertising expenses	**533**	4.006
Depreciation	**288**	575
	68.720	166.705

FINANCE COSTS
Period from 1 January 2017 to 30 June 2017

	1.1.2017 to 30.6.2017 EUR	2016 EUR
Finance costs		
Other finance costs		
Bank charges	2.804	1.432
	2.804	1.432

COMPUTATION OF DEFENCE CONTRIBUTION
Period from 1 January 2017 to 30 June 2017

	Income EUR	Rate	Defence € c
RENTS			
Rent income	3.790		
25% deduction on total rents	(948)		
	2.842	3%	85,26
DEFENCE CONTRIBUTION DUE TO IRD			85,26

VONPENDE HOLDINGS P.L.C.

COMPUTATION OF CORPORATION TAX
Period from 1 January 2017 to 30 June 2017

	Page	EUR	EUR
Net loss per income statement	30		(43.543)
Add:			
Depreciation		288	
Net foreign exchange loss		24	
Annual levy		350	
Services paid		4.380	
Administration expenses restricted - trading in investments		54.187	
			59.229
			15.686
Less:			
Annual wear and tear allowances		288	
Amount payable written off		1.924	
			(2.212)
Chargeable income for the year			13.474
Losses surrendered to Company from Group companies			
Losses surrendered to Company from Linge Enterprises Limited			(1.550)
Chargeable income			11.924

Calculation of corporation tax	Income	Rate	Total
	€	%	€ c
Tax at normal rates:			
Chargeable income as above	11.924	12,50	1.490,50
10% additional charge			149,05
TAX PAYABLE			1.639,55